

108TH CONGRESS
1ST SESSION

S. 318

To provide emergency assistance to nonfarm-related small business concerns that have suffered substantial economic harm from drought.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2003

Mr. KERRY (for himself, Mr. BOND, Ms. LANDRIEU, Mr. EDWARDS, Mr. JOHNSON, Mr. BINGAMAN, Mr. LEVIN, Mr. BAUCUS, Mr. DASCHLE, Mr. HOLLINGS, Mr. LIEBERMAN, Mr. WARNER, Mr. CRAPO, Mr. HARKIN, and Mr. REID) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To provide emergency assistance to nonfarm-related small business concerns that have suffered substantial economic harm from drought.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. LOANS TO SMALL BUSINESS CONCERNS DAM-**
4 **AGED BY DROUGHT.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Small Business Drought Relief Act of 2003”.

7 (b) FINDINGS.—Congress finds that—

1 (1) as of July 2002, more than 36 States (in-
2 cluding Massachusetts, South Carolina, and Lou-
3 isiana) have suffered from continuing drought condi-
4 tions;

5 (2) droughts have a negative effect on State
6 and regional economies;

7 (3) many small businesses in the United States
8 sell, distribute, market, or otherwise engage in com-
9 merce related to water and water sources, such as
10 lakes, rivers, and streams;

11 (4) many small businesses in the United States
12 suffer economic injury from drought conditions,
13 leading to revenue losses, job layoffs, and bank-
14 ruptcies;

15 (5) these small businesses need access to low-
16 interest loans for business-related purposes, includ-
17 ing paying their bills and making payroll until busi-
18 ness returns to normal;

19 (6) absent a legislative change, the practice of
20 the Small Business Administration of permitting
21 only agriculture and agriculture-related businesses to
22 be eligible for Federal disaster loan assistance as a
23 result of drought conditions would likely continue;

24 (7) during the past several years small busi-
25 nesses that rely on the Great Lakes have suffered

economic injury as a result of lower than average water levels, resulting from low precipitation and increased evaporation, and there are concerns that small businesses in other regions could suffer similar hardships beyond their control and that they should also be eligible for assistance; and

(8) it is necessary to amend the Small Business Act to clarify that nonfarm-related small businesses that have suffered economic injury from drought are eligible to receive financial assistance through Small Business Administration Economic Injury Disaster Loans.

(c) DROUGHT DISASTER AUTHORITY.—

(1) DEFINITION OF DISASTER.—Section 3(k) of the Small Business Act (15 U.S.C. 632(k)) is amended—

(A) by inserting “(1)” after “(k)”; and

(B) by adding at the end the following:

“(2) For purposes of section 7(b)(2), the term ‘disaster’ includes—

“(A) drought; and

“(B) below average water levels in the Great Lakes, or on any body of water in the United States that supports commerce by small business concerns.”.

1 (2) DROUGHT DISASTER RELIEF AUTHORITY.—

2 Section 7(b)(2) of the Small Business Act (15
3 U.S.C. 636(b)(2)) is amended—

4 (A) by inserting “including drought, with
5 respect to both farm-related and nonfarm-re-
6 lated small business concerns affected by
7 drought,” before “if the Administration”; and

8 (B) in subparagraph (B), by striking “the
9 Consolidated Farmers Home Administration
10 Act of 1961 (7 U.S.C. 1961)” and inserting the
11 following: “section 321 of the Consolidated
12 Farm and Rural Development Act (7 U.S.C.
13 1961), in which case, assistance under this
14 paragraph may be provided to farm-related and
15 nonfarm-related small business concerns, sub-
16 ject to the other applicable requirements of this
17 paragraph”.

18 (d) PROMPT RESPONSE TO DISASTER REQUESTS.—

19 Section 7(b)(2)(D) of the Small Business Act (15 U.S.C.
20 636(b)(2)(D)) is amended by striking “Upon receipt of
21 such certification, the Administration may” and inserting
22 “Not later than 30 days after the date of receipt of such
23 certification by a Governor of a State, the Administration
24 shall respond in writing to that Governor on its determina-
25 tion and the reasons therefore, and may”.

1 (e) LIMITATION ON LOANS.—From funds otherwise
2 appropriated for loans under section 7(b) of the Small
3 Business Act (15 U.S.C. 636(b)), not more than
4 \$9,000,000 may be used during fiscal year 2003 to pro-
5 vide drought disaster loans to non-farm related small busi-
6 ness concerns.

7 (f) RULEMAKING.—Not later than 45 days after the
8 date of enactment of this Act, the Administrator of the
9 Small Business Administration shall promulgate final
10 rules to carry out this Act and the amendments made by
11 this Act.

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